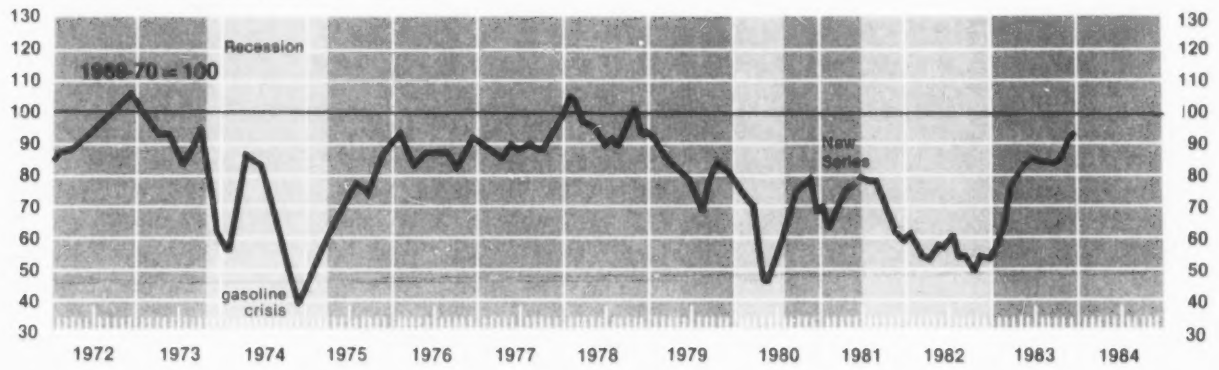
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

January, 1984



CONSUMERS MORE CONFIDENT, BUYING PLANS STILL STRONG

Consumers entered the Christmas season in high spirits. The Confidence Index (1969-1970 = 100) registered 94 in December, up almost four points. The current Index reading is higher than it has been in five years. In the most recent probe, respondents were far more positive in their assessment of ongoing business conditions and continue to be optimistic in assessing the months ahead. Although the Buying Plans Index edged off slightly, its current reading of 105.2 continues to be reassuring.

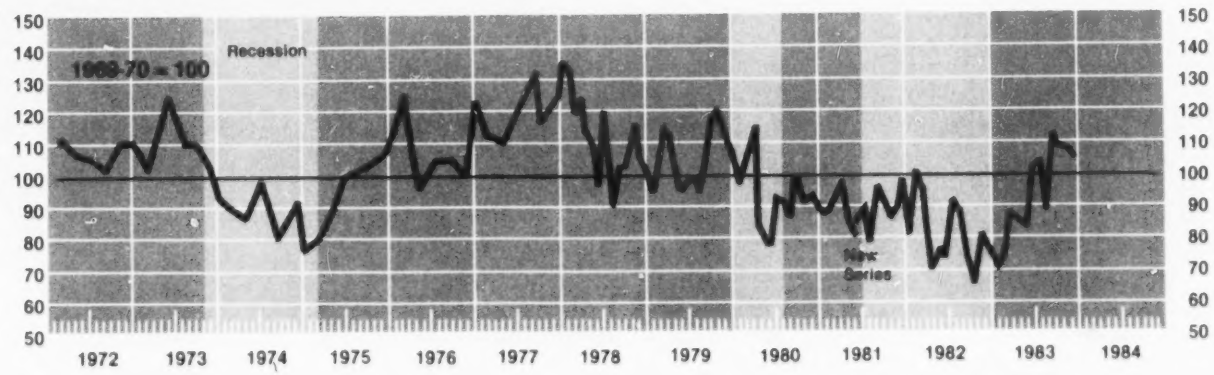
The consumers' assessment of ongoing business conditions continues to improve and their assessment of the employment situation is better than it has been in quite some time. However, on this issue pessimists continue to outnumber optimists by a wide margin.

In looking ahead to the next six months, consumers continue to be quite positive in their expectations of employment prospects and economic conditions generally. Also, there has been increase in the number of those who anticipate that their personal income will rise in the months ahead. Buying plans have, on balance, edged off slightly. Plans to purchase a major appliance are up, but the proportion of persons intending to purchase a home has dropped to 3.3%, down from a prior 3.6 percent. Plans to buy an automobile have also edged off to 8.7% of all respondents, from a prior 9.3 percent. However, there has been a modest increase in the number of those who are planning for a vacation in the months ahead.

The contining improvement in consumers' spirits and the relatively high level of their expectations in assessing the immediate future are most reassuring. Based on the survey's past record as a economic indicator, it appears highly likely that the business recovery will continue to be strong well into the new year. Rising personal income, a subdued inflation rate and an increase in job opportunities all have contributed to an increasing sense of security among consumers. Their rising confidence, in turn, should prove to be a significant propellant for continued economic expansion.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

CONSUMER CONFIDENCE AND BUYING PLANS

Based on surveys conducted by NFO Research, Inc.

Total Households = 100%

All series seasonally adjusted	1982 Dec.	1983 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.(r)	Dec.(p)
						Composite Series: Index Numbers, 1969-1970 = 100							
Consumer Confidence Index	53.5	58.0	65.8	77.1	80.3	84.0	84.9	84.7	84.6	84.8	85.7	90.2	94.0
Present Situation	12.9	13.8	14.1	19.5	23.9	28.2	32.8	37.2	39.3	43.1	44.0	51.1	60.1
Expectations	80.7	87.5	100.3	115.5	117.9	121.2	119.6	116.3	114.8	112.6	113.5	116.2	116.6
Buying Plans Index	75.2	71.9	75.8	87.9	86.0	85.2	103.6	100.5	89.9	113.5	109.9	108.9	105.2
						Appraisal of Present Situation: Percent							
Business Conditions													
Good	7.3	7.3	7.7	10.1	11.4	13.5	15.0	15.9	16.5	18.3	19.4	20.2	24.7
Bad	58.6	53.1	53.2	47.8	44.7	38.7	36.9	32.2	33.5	31.0	30.8	27.5	23.2
Normal	34.1	39.6	39.1	42.1	43.9	47.8	48.1	50.9	50.0	50.7	49.8	52.3	52.1
Employment													
Jobs plentiful	2.9	2.9	2.7	3.5	4.9	4.6	5.9	6.8	7.4	7.7	7.4	9.5	10.4
Jobs not so plentiful	34.7	37.1	38.7	42.2	41.7	44.1	45.5	45.9	48.6	48.5	49.3	50.4	50.6
Jobs hard to get	62.4	60.0	58.6	54.3	53.4	51.3	48.6	47.3	44.0	43.8	43.3	40.1	39.0
						Expectations for Six Months Hence: Percent							
Business Conditions													
Better	25.5	25.7	32.2	39.2	38.9	39.1	37.6	36.6	32.7	30.1	30.1	31.2	30.8
Worse	20.9	14.8	11.5	7.1	6.2	4.8	5.3	6.6	6.6	6.8	6.7	6.1	5.7
Same	53.6	59.5	56.3	53.7	54.9	56.1	57.1	56.8	60.7	63.1	63.2	62.7	63.5
Employment													
More jobs	20.6	19.3	24.2	31.6	31.0	30.8	29.7	28.9	26.6	24.5	24.8	25.6	23.9
Fewer jobs	28.0	22.3	16.9	13.7	11.9	10.1	11.0	13.0	12.1	13.1	13.8	11.9	11.5
Same	51.4	58.4	58.8	54.7	57.1	59.1	59.3	58.1	61.3	62.4	61.4	62.5	64.6
Income													
Increase	24.0	22.9	20.5	24.8	26.6	25.9	26.0	28.7	26.0	28.3	31.1	28.3	30.8
Decrease	12.7	11.9	10.6	9.1	9.6	9.6	8.9	8.9	8.8	8.6	7.6	7.8	8.0
Same	63.3	65.2	68.9	66.1	63.8	64.5	65.1	62.4	65.2	63.1	61.3	63.9	61.2
						Plans to Buy Within Six Months: Percent							
Automobile													
Yes	5.6	5.1	5.4	7.2	6.1	6.0	8.4	7.8	7.2	9.1	9.0	9.3	8.7
New	3.1	3.0	3.1	3.9	3.4	3.6	4.7	4.1	3.4	5.1	5.3	5.1	5.0
Used	2.1	1.9	2.0	2.8	2.4	2.1	2.2	2.7	2.4	3.6	3.3	3.4	3.3
Uncertain	0.4	0.2	0.3	0.5	0.3	0.3	1.5	1.0	1.4	0.4	0.4	0.8	0.4
Home													
Yes	2.3	2.4	2.4	2.7	3.1	2.8	3.4	3.3	3.0	3.8	3.6	3.6	3.3
New	0.4	0.6	0.4	0.6	0.6	0.8	1.0	1.1	0.8	1.3	1.0	1.2	1.1
Lived in	1.2	1.3	1.5	1.4	1.8	1.3	1.7	1.3	1.5	1.7	1.9	1.6	1.5
Uncertain	0.7	0.5	0.5	0.7	0.7	0.7	0.7	0.9	0.7	0.8	0.7	0.8	0.7
Major appliances													
Total plans	22.8	22.1	22.3	23.7	23.4	25.5	27.7	29.2	23.8	30.6	29.2	26.5	29.2
Refrigerator	3.3	3.0	3.2	3.3	3.9	3.8	3.3	4.7	3.4	4.1	3.4	3.5	3.6
Washing machine	2.7	2.9	2.4	2.7	2.9	3.2	4.3	3.5	2.7	4.0	3.3	3.6	3.4
Black and white TV	0.9	0.7	1.1	0.9	0.5	1.0	0.7	0.7	0.9	1.1	1.0	0.7	1.2
Color TV	6.1	5.4	5.8	6.5	6.1	7.4	8.1	7.6	6.1	8.2	8.0	7.5	7.9
Vacuum Cleaner	4.0	4.3	4.1	4.3	4.2	3.9	4.6	5.0	4.1	5.2	5.6	4.4	5.3
Range	2.4	2.2	2.4	2.2	2.4	2.2	2.6	2.8	2.3	2.6	2.6	2.4	2.6
Clothes dryer	2.3	2.4	2.5	2.5	2.3	2.8	2.8	3.4	2.8	3.1	3.1	2.7	3.2
Air conditioner	1.1	1.2	0.8	1.3	1.1	1.2	1.3	1.5	1.5	2.3	2.2	1.7	2.0
Carpet	6.0	5.1	7.6	7.2	6.7	6.9	7.3	6.7	6.9	8.2	7.1	8.1	7.0
						Vacation Intended Within Six Months: Percent							
Vacation Intended	44.7		46.3		43.4		48.1		47.2		49.8		51.0
Destination													
Home state	8.5		11.1		8.4		9.2		9.9		10.5		11.9
Other state	31.8		31.6		30.9		34.2		32.8		33.5		35.0
Foreign country	5.1		5.1		5.7		6.6		6.2		7.0		6.3
Means of Travel													
Automobile	28.9		30.5		28.0		32.5		31.5		31.3		32.7
Airplane	15.0		15.2		15.2		17.1		15.5		17.1		18.0
Other	3.3		3.6		3.2		4.3		3.6		4.1		4.0

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request.

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.